members of the Armed Forces, and VA determines that the award of a grant to this entity is warranted to enable adaptive sports activities for disabled veterans and disabled members of the Armed Forces, VA may request that entity to submit a grant application. To verify that only one entity is capable of providing an adaptive sports activity:

- (1) VA must determine that the adaptive sports activity is available only from one eligible entity;
- (2) VA must receive a written statement from an entity which verifies that a particular adaptive sports activity is only available from a named non-Federal entity; or
- (3) After VA attempts to find competition for a grant by issuing a NOFA, VA receives only one application to provide the adaptive sports activity sought under the NOFA or having received no applications, engages a qualified adaptive sport entity to negotiate provision of the adaptive sports activity sought.
- (b) To submit an application for a noncompetitive adaptive sports grant, an applicant must obtain from VA an adaptive sports grant application package and submit to VA the information called for in the adaptive sports grant application package within the time period established in the NOFA.
- (c) The noncompetitive adaptive sports grant application must include:
- (1) Information regarding the program design and supporting evidence directly linking the program to the achievement of the program's objectives:
- (2) Documentation on the eligibility of the applicant to receive an adaptive sports grant and on why the award of a noncompetitive grant is warranted;
- (3) Description of the type of adaptive sports activities that would be provided:
- (4) Documentation concerning the estimated operating costs and operating budget for the adaptive sports activities for which a grant is sought;
- (5) Documentation that the applicant has the technical expertise needed; and
- (6) Reasonable assurances that if the applicant receives an adaptive sports grant under this part:

- (i) It will provide adequate financial and administrative support for providing the services set forth in the adaptive sports grant application and will actually provide such services; and
- (ii) It will keep records and submit reports as VA may reasonably require, within the time frames required; and give VA, upon demand, access to the records upon which such information is based

(The information collection requirements have been submitted to OMB and are pending OMB approval)

§77.14 Grant agreements.

- (a) General. After a grant is approved for award, VA will draft a grant agreement to be executed by VA and the grantee. Upon execution of the grant agreement, VA will obligate the grant amount. The grant agreement will include a provision requiring that the grantee will operate the program in accordance with the provisions of this part, 2 CFR part 200, and the grant application.
- (b) Equipment. If grant funds will be used to procure or operate adaptive sports equipment to directly provide adaptive sports activities, the grant agreement must provide that:
- (1) Title to the adaptive sports equipment vests solely in the grantee, or, for leased equipment, in an identified lessor:
- (2) The grantee will at a minimum, provide liability insurance for the adaptive sports equipment to the same extent they would insure adaptive sports equipment procured with their own funds; and
- (3) Adaptive sports equipment will be safe to use and maintained in accordance with the manufacturer's recommendations.
- (c) Use of funds for administrative and personnel expenses. (1) An eligible entity that receives a grant under this part may use a portion of the grant for administrative expenses and personnel expenses of the eligible entity. The amount that may be used for such expenses may not exceed:
- (i) In the case of a grant made for adaptive sports activities taking place during fiscal year 2014, 10 percent of the total amount of the grant;

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- (ii) In the case of a grant made for adaptive sports activities taking place during fiscal year 2015, 7.5 percent of the total amount of the grant; and
- (iii) In the case of a grant made for adaptive sports activities taking place during any subsequent fiscal year, 5 percent of the total amount of the grant.
- (2) For purposes of \$77.14(c), personnel expenses include any costs associated with an employee of the eligible entity other than reimbursement for time spent by such an employee directly providing coaching or training for participants.
- (d) Use of grant funds for individuals who are not veterans or members of the Armed Forces. The grant agreement may authorize grantees to support or provide services (including adaptive sports activities) to individuals with disabilities who are not veterans or members of the Armed Forces, or both, but will prohibit grant funds from being used to support or provide services (including adaptive sports activities) to those individuals.
- (e) Restrictions on the participation of certain veteransand former servicemembers. The grant agreement will prohibit grant funds from being used to support or provide services (including adaptive sports activities) to veterans or former servicemembers who are barred from receiving VA benefits based on their service (see 38 U.S.C. 5303-5303A) and to veterans or former servicemembers who, if otherwise eligible, would be barred from receiving VA pension, compensation or dependency and indemnity compensation based on the character of their discharge from military service (see 38 CFR. 3.12).

(Authority: 38~U.S.C.~521A(d)(4))

§77.15 Payments under the grant.

- (a) Payments to grantees. Grantees are to be paid in accordance with the time-frames and manner set forth in the NOFA.
- (b) Payments to subgrantees. Payments of grant funds by grantees to subgrantees (including entities with which the grantee has entered into a partnership) for instruction, participation, and competition in sports may only be

made for instruction, participation, and competition in Paralympic sports.

(Authority: 38 U.S.C. 521A)

§ 77.16 Grantee reporting requirements.

- (a) Annual report. All grantees must submit to VA, not later than 60 days after the last day of the Federal fiscal year for which a grant is provided under this part, an annual report which sets forth the following information for that fiscal year:
- (1) A detailed record of the time involved in providing adaptive sports activities through direct personal interaction with participants and time expended in adaptive sports activities that do not involve direct personal interaction with participants:
- (2) A detailed record of the individual adaptive sports activities conducted;
- (3) A detailed record of the adaptive sports programs carried out at the national and local levels through partnerships with VA, DoD, VSOs, and other adaptive sports entities;
- (4) The number of veterans and the number of participants in the adapted sports activities funded by the grant including those who participated in any programs carried out through a partnership under this part;
- (5) The locations where adaptive sports activities were conducted; and
- (6) A detailed accounting of how the grant funds were used including the administrative and personnel expenses incurred by the grantee in carrying out the program and such expenses paid for using grant funds.
- (b) Quarterly report. All grantees must submit to VA a quarterly report 30 days after the close of each Federal fiscal quarter of the grant period which includes the same information required for annual reports, as well as projected change requests if applicable.
- (c) Program variations. Any changes in a grantee's program activities which result in deviations from the grant agreement must be reported to VA.
- (d) Additional reporting. Additional reporting requirements may be requested by VA to allow VA to fully assess program effectiveness.
- (e) Annual report compliance. If a grantee does not submit the annual report required under this section for any